

**THE RICE STRAW  
DEMONSTRATION PROJECT  
GRANT FUND**

**PROGRAM DESCRIPTION**

**AND**

**INVITATION FOR GRANT REQUESTS  
(IGR 01-01)**

**FISCAL YEAR 2001-2002**

Issued by the California Air Resources Board  
October 12, 2001

## FOREWORD

The Connelly-Areias-Chandler Rice Straw Burning Reduction Act of 1991 (the Phase Down Act) mandated the phase down of rice straw burning in California's Sacramento Valley. When the Act was written, it was anticipated that a new market for rice straw would be created that would provide an alternative to burning. However, approximately 97 percent of the unburned straw is currently incorporated into the soil, a costly practice that may increase incidence of crop diseases.

In 1997, when the Phase Down Act limited rice straw burning to 38 percent of the acreage planted, rice growers turned to the California Legislature seeking economic relief. The resulting legislation, Senate Bill 318, authored by Senator Mike Thompson, created the Rice Straw Demonstration Project Grant Fund (the Rice Fund), to be administered by the California Air Resources Board. The Rice Fund provides cost-sharing grants for projects that use California rice straw according to criteria adopted by the Air Resources Board.

Approximately \$5 million has been awarded to date, with \$900,000 available this fiscal year (Senate Bill 1186, authored by Senator Deborah Ortiz.)

This document contains instructions for submitting a Rice Fund grant application.

Section I describes the Rice Fund program.

Section II gives the selection criteria for projects that pass the initial screening.

Section III includes general information.

Section IV describes the information to be included in the grant request.

The forms and an appendix can be found after Section IV.

Information about the Rice Fund Program may be found on the Internet at:

**<http://www.arb.ca.gov/smp/rice/ricefund/ricefund.htm>**

Applicants are encouraged to check the Rice Fund web site for changes to the enclosed schedule and for new information. Applicants are also encouraged to be on the Rice Fund e-mail list to receive notices of changes by e-mail.

Questions about the Rice Fund may be directed to Mr. Bruce Oulrey by phone at (916) 322-6155 or by e-mail to ***ricefund@arb.ca.gov***.

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## SECTION I PROGRAM DESCRIPTION

The Rice Straw Demonstration Project Grant Fund (the Rice Fund) was created by Senate Bill 318 (1997, Thompson) and is administered by the California Air Resources Board (ARB or Board). The Rice Fund provides matching grants (up to 50 percent) for projects that use, store, transport, or market California rice straw. The ARB, as required by law, developed funding criteria in consultation with the Department of Food and Agriculture (CDFA), the Trade and Commerce Agency (TCA), and the University of California (UC). This *Invitation for Grant Requests* (IGR) contains the funding criteria adopted by the Board at its January 29, 1998, meeting<sup>1</sup> and revised by ARB Executive Order G-01-051.

### GOAL OF THE RICE FUND

The goal of the Rice Fund is to aid the emergence of commercially self-sustaining markets for rice straw. The Rice Fund was established to provide financial assistance to projects that show the greatest potential for creating such markets. Preference will be given to projects with the greatest potential to:

- ✍ Become operational within the next few years
- ✍ Consume large amounts of rice straw

Other funding preferences include:

- ✍ Projects which could be replicated throughout the rice growing regions of the Sacramento Valley
- ✍ Projects showing public and private support, including local community support from the rice growing community where the projects would be located

### TYPES OF ELIGIBLE PROJECTS

All eligible projects must:

- ✍ Use Sacramento Valley rice straw
- ✍ Bring at least 50 percent matching funds
- ✍ Be technically feasible and sound
- ✍ Include all required information as specified in this IGR

Requests not meeting these four basic requirements will be considered incomplete and will not be reviewed or considered further.

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<sup>1</sup> The criteria document adopted by the Board has been modified in nonsubstantive ways to be consistent with the fourth year of the program.

As in previous years, the focus will be on projects with high *potential* for commercialization in the next few years rather than on projects in the research stage. Research may be only a small component of the project. The grant proposal must show the project's potential for being commercially self-sustaining after the Rice Fund grant has been expended. All proposed projects must clearly identify their expected sources of rice straw, and they must explain to what extent these sources are ensured.

One barrier to developing a marketplace for rice straw is the lack of an infrastructure to handle the straw from the harvest in the rice field to the businesses that would use the straw. To overcome this barrier, the Rice Fund will consider rice straw collection, storage, transportation, and marketing projects at early stages of development if they have the potential to enhance rice straw commercialization projects. These projects include getting the straw from the field to the end user (that is, collection, densification, removal from the rice field, transportation, and storage).

## **FUNDING**

For the 2001-2002 fiscal year, \$900,000 is available for grants from the Rice Fund.

Up to 50 percent of the cost of a project will be funded, during a period not to exceed three years. There is neither a minimum nor a maximum amount of funding that will be approved for a project.

Although IGR represents a bona fide intention to fund projects, the ARB reserves the right to reject any or all grant requests not judged to meet the goals of the Rice Fund.

## **APPLICATION PROCESS**

Applicants will submit complete and detailed grant requests by the required deadline to be eligible to compete for the Rice Fund grants. All grant applicants are encouraged to attend a workshop to be held approximately midway through the application period. At this workshop, ARB staff will discuss the application requirements and answer questions. Top-scoring applicants may be asked to briefly present their projects at a public meeting in the Sacramento area. The schedule for fiscal year 2001-2002 is shown on page 6.

Grant requests will be screened to determine if the:

- ✍ Project contributes to commercial uses of Sacramento Valley rice straw
- ✍ Minimum matching fund requirements are met
- ✍ Basic technology and science are sound
- ✍ Application is complete

Selection criteria for projects that pass the initial screening are presented in Section II. General information about the grant requests and the grants are included in Section III. Information to be included in the grant request is described in Section IV.

## **SELECTION PROCESS**

Grant requests passing the initial screening will be evaluated for technical and business merit by expert advisors and reviewers using the criteria in Section II. The expert advisors and reviewers will be selected from the public and private sectors. The identity of the advisors and reviewers will be kept confidential, although their affiliations will be public. These reviewers will be required to sign confidentiality agreements and conflict of interest disclosures. They may interview applicants if additional information or clarification is needed. The ARB staff, advisors, and reviewers may also ask an applicant to re-scope the proposed project, schedule, and budget. The ARB staff and reviewers may visit the project sites of finalists prior to making final recommendations for the award of grants.

Grant requests will be ranked according to the scoring process explained in Section II, Selection Criteria. Those with the highest rankings will be nominated to the Board for funding. In order to promote a diversified rice straw marketplace, high-ranking, similar projects may not all be recommended for funding. The Board is expected to approve the ARB staff's recommendations at its March or April 2002 meeting.

Successful applicants will be required to sign legally binding grant provisions. These grant provisions, which will be tailored to each grant recipient, are discussed in Section III.

## **TECHNOLOGY FEASIBILITY**

Technologies that, in the view of the ARB staff and the expert reviewers, have not been shown to be feasible for commercial application will not be considered for funding under the Rice Fund program. In addition, projects that rely upon or require the development of technologies beyond the scope of the proposed project are unlikely to receive high technical scores. All grant requests must present scientific and technical information demonstrating the:

- ✍ Project is based on sound scientific and engineering principles

- ✍ Project's success does not depend on undeveloped technologies beyond the scope of the proposed project

## SCHEDULE

The following table shows the schedule for the award of grants allocated to the Rice Fund for the 2001-2002 fiscal year.

**Rice Fund Project Tentative Schedule  
2001-2002 Fiscal Year**

<b>Date</b>	<b>Milestone</b>
Early October 2001	<i>Invitation for Grant Requests (IGR)</i> released
Late October/Early November 2001	IGR Workshop for Applicants
November 30, 2001	Grant Requests Due to the ARB
January/February 2002	Clarification Meetings with Applicants if Necessary
April 2002	Board Meeting to Award Grants



## SECTION II SELECTION CRITERIA

Grant requests will be evaluated using the criteria below.

Each criterion above will be given a rating number from 0 to 4 using the following scale:

- 4 - Strongly exceeds criteria
- 3 - Moderately exceeds criteria
- 2 - Satisfactorily meets criteria
- 1 - Marginally meets criteria
- 0 - Does not meet criteria

The rating number will be multiplied by a weighting factor (in parentheses). The results will be summed to determine the final score.

**For example**, a rating of 4 (maximum) for criterion A (20 point weighting) would result in a score of 80 (4 times 20).

Reviewers will recommend rating numbers for criteria in areas where they are expert. The ARB staff will consolidate these recommendations, assign rating numbers, and complete the score for each application.

Minimum qualifying scores for the technical and business criteria are 120 out of a possible 200 points.

### SCORING

Technical Plan Review - 200 total possible score

- A. Viable technology for rice straw utilization, storage, or transportation (20)
- B. Reasonable and complete project (10)
- C. Stage of technology development (10)
- D. Technical competency of project team (10)

Business Plan Review - 200 total possible score

- E. Business merit, commercialization, infrastructure development, and marketing plan (20)
- F. Straw supply plan (10)
- G. Financial support and credit integrity (10)
- H. Business competency of project team (10)

**Program Goals Satisfaction - 200 total possible score**

- I. Potential quantity of rice straw to be used, stored, transported, or marketed annually (20)
- J. Length of time to self-sustaining operation (10)
- K. Project location and replication potential (10)
- L. Local community support (10)

**Policy Assessment - 140 total possible score**

- M. Policy Assessment (25)
- N. Environmental Effects (10)

**SCORING GUIDELINES**

Listed below are *examples* of the types of questions and areas of focus to be considered when evaluating grant applications and assigning rating numbers. The grant application review will not be limited to the questions and statements listed below.

**Technical Plan Review**

- A. *Viable technology for rice straw utilization, storage, or transportation*  
Rate the viability of the technology for using, storing, or transporting rice straw and the discussion of potential technological problems along with plans for overcoming them. Rate the applicant's knowledge of potential technical barriers and how to overcome them.
- B. *Reasonable and complete project*  
What is the strength of the provided evidence of technological viability, e.g., supporting test data, drawings, and schematics? Is there adequate information included to assess the likelihood of technological success of the project? Rate the project plan, the description of milestones, tasks and subtasks, and estimated completion dates in project schedule.
- C. *Stage of development*  
How reasonable is the applicant's claim of the project's stage of development? For example, if the grant request states that two years from the start of the project it will achieve self-sustaining commercialization stage, evaluate the evidence presented to substantiate that claim. Estimate the time needed for commercialization, building of infrastructure, and/or development of marketing materials.
- D. *Technical competency of project team*  
Rate the credentials, competency level, track record, and references of the applicant's technical team.

## Business Plan Review

E. *Business merit, commercialization, infrastructure development, and marketing plan*

Rate the applicant's understanding of the marketability, market size, target market, market growth potential, and expected market share of the planned product. Assess the product's market potential. Rate the applicant's understanding of the competition. Rate how the grant request addresses market barriers. Rate the project's potential to end in a profitable business. Does the budget have enough detail to clearly show how the funds would be used? Are budget costs reasonable and realistic to accomplish the goals of the project? Is the schedule for establishing infrastructure, reaching commercialization, and implementing marketing plans clear and realistic? What is the expected time to completion? Are the contingency scaled-down and scaled-up project budgets reasonable? If the submitted grant request does not end in commercialization, how reasonable are the plans for achieving commercialization?

F. *Straw supply plan*

How sound is the plan for obtaining rice straw for the project? How secure is the supply of rice straw once the project reaches commercialization? Rate the discussion of potential barriers to a stable straw supply and the discussion about the quality of rice straw needed. How much straw supply is reasonably ensured, for how long? For infrastructure projects, is the building of storage facilities or the development of transportation methods linked to use of rice straw for specific end-uses?

G. *Financial support and credit integrity*

Rate the applicant's financial investment in the project in cash, in-kind contributions, and prior investment. Is a reasonable amount being requested from the Rice Fund? Are other investors supplying a reasonable amount? Rate the credit integrity of the applicant. Rate the applicant's financial records. Rate the evidence of intent to invest by the other funding sources (e.g., letters of intent from other debt or equity participants). Rate the balance sheet equity of the applicant.

H. *Business competency of project team*

Rate the credentials, competency level, track record, and references of the applicant's business team.

## Program Goals Satisfaction

- I. *Potential quantity of rice straw to be used, stored, transported, or marketed annually*  
Rate the applicant's annual rice straw usage, storage, or transport estimates, or the amount of rice straw successfully marketed at the end of the project and five years later. (More points for higher usage of rice straw.) How much grant money is being requested compared to the potential straw usage (i.e., grant dollars per tons of straw used or stored annually)? Is the project likely to shift some or all of its reliance on rice straw to other raw materials? Compare to other projects. For infrastructure projects, is the building of storage facilities or the development of transportation methods linked to use of rice straw for specific end-uses?
- J. *Length of time to self-sustaining operation*  
Rate the project's time to reach self-sustaining operation or the time required to build the proposed infrastructure. (More points for shorter length of time.)
- K. *Project location and replication potential*  
Is the project located in one of the rice growing counties of the Sacramento Valley? Could the project's capacity to use, store, or transport more rice straw be expanded by building more facilities in the rice growing regions? Could the marketing plan be expanded to other commodities or uses? Compare to other projects.
- L. *Local community support*  
Rate the level of local community support, using evidence provided in the grant request and letters of support sent to the ARB. Rate the number of jobs created locally.

## Policy Assessment

- M. *Policy Assessment*  
Rate the overall potential of this project achieving successful, self-sustaining commercialization, or the development of permanent infrastructure. Rate the project's potential contribution to creating a successful, self-sustaining marketplace for rice straw products. How well would this project fit in the mix of projects already underway or other projects being considered for Rice Fund grants? How does the project fit in with rice farming systems under use in the Sacramento Valley? How well would the project fit in with the local goals, objectives and policies of the communities where the project is proposed to be located?
- N. *Environmental Effects*

Rate the overall environmental effects of this project. Compare project's estimated emissions to those of established facilities in the same industry. Compare to other projects being considered. How does the project fit into the ARB's statewide air resources management strategy?

### SECTION III GENERAL INFORMATION

Grant requests not meeting the following requirements will be disqualified.

- ✍ **Rice Straw** -- the project must contribute to commercialized uses of Sacramento Valley rice straw; the development of permanent infrastructure in the form of storage facilities or transport methods linked to specific end-uses of rice straw; or, increased market uses of rice straw through the implementation of marketing plans for underutilized or lesser-known rice straw products.
- ✍ **Matching funds** -- both the 50 percent total matching fund requirement and the 20 percent applicant requirement as specified in *Required Match* below must be met. Clearly identify matching fund amounts on Form 1
- ✍ **Technically feasible and sound** -- the technical feasibility must have already been proven; the technology must be based on sound scientific and engineering principles.
- ✍ **Completeness** -- all forms must be completed and signed as specified.

#### DEFINITION OF PROJECT

A project is defined as a business enterprise intended to establish a commercially self-sustaining operation that uses, stores, transports, or markets rice straw produced in the Sacramento Valley. The project starts when the grant agreement is signed and continues until the specified date.

#### DEFINITION OF APPLICANT

An applicant is defined as the legal entity that owns and controls the project for which a Rice Fund grant is being requested. The applicant is the business and may be an individual, a partnership, a corporation, a cooperative, or other legal entity.

Other financial investors in the project are considered “other funding sources.” Anyone who owns 20 percent or more of the applicant business is considered to be an applicant principal. *All applicant principals must provide financial disclosure.*

The applicant must designate a lead contact person. This person must have the legal authority to submit project progress reports and sign legal documents on behalf of all applicant principals.

## REQUIRED MATCHING FUNDS

Funding sources for a proposed project are categorized into the following three types: (1) the Rice Fund Grant, (2) funding provided by the applicant, and (3) funding from other sources. Requirements of each type are discussed below. Examples follow.

### (1) The Rice Fund Grant

The Rice Fund portion may not exceed 50 percent of the total project cost. This means that *at least* 50 percent matching funds are required for all projects. Grant applications seeking more than 50 percent of the total project cost will not be reviewed or considered further.

### (2) The Applicant

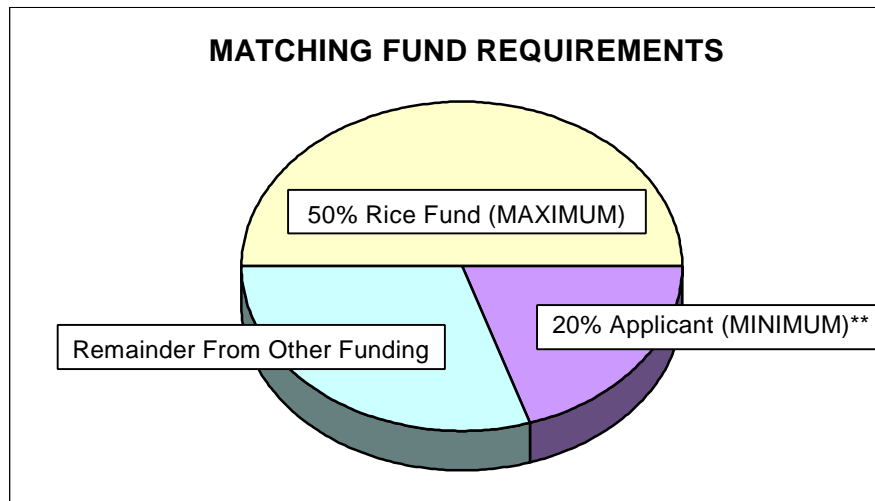
The applicant (as previously defined) must provide new cash investment of a minimum of 20 percent of the total project cost, or an amount equal to the funding requested from the Rice Fund, whichever is less. This requirement is to show the applicant's personal commitment to the project and that significant risk is being taken.

This requirement may be *partially* fulfilled by prior investments directly related to the project and by in-kind contributions *during* the project (see Section IV for a description of these credits.) If either or both of these credits are used, new cash investment by the applicant may be reduced to a minimum of 10 percent of the total project. Applicants must show ability to provide matching funds, and, if these credits are used, show evidence of prior investment spending and in-kind contribution commitments.

### (3) Other Funding Sources

Other funding sources must provide the remainder of the project cost. These include, but are not limited to: grants, loans, or loan guarantees from other governmental agencies or other institutional financial entities, such as banks or credit unions, or private investors. Applicants must provide evidence that these funds have been secured or committed by the funding sources.

Figure 1



\*\* Applicant's 20 percent minimum contribution may be *partially* met by in-kind and prior investment. At least 50 percent matching funds for the current project is still required, regardless of the applicant/other funding mix.

### Examples

Following are examples of how the matching fund requirements may be fulfilled. These are based on a total proposed project cost of \$500,000. A table illustrating these examples follows. The example requirements are:

- (1) The *maximum* amount that could be requested from the Rice Fund would be \$250,000 (50 percent of the total).
- (2) The *minimum* amount the applicant must provide would be the lesser of:
  - a) \$100,000 (20 percent of the total project cost), see Example 1, **or**
  - b) an amount equal to that requested from the Rice Fund, see Example 2, **or**
  - c) \$50,000 (10 percent of the total project cost) **and** evidence to support prior investments<sup>2</sup> directly related to the project and in-kind contributions<sup>3</sup> that will be provided *during* the project to make up the balance for the minimum amount required under a or b above, see Example 3.
- (3) Other funding sources to complete the balance of the funds needed to cover the total project cost.

<sup>2</sup> Prior investments are **not** included in the estimated project costs.

<sup>3</sup> In-kind contributions **are** included in the estimated project costs.



**Example 1:** Total project cost of \$500,000

- (1) Rice Fund is asked to provide \$250,000 (the maximum allowed, 50 percent).
- (2) The applicant provides \$100,000 (20 percent).
- (3) Other funding sources contribute \$150,000 (the balance, 30 percent).

**Example 2:** Total project cost of \$500,000

- (1) Rice Fund is asked to provide \$75,000 (less than the maximum allowed (15 percent)).
- (2) The applicant provides \$75,000 (less than 20 percent but equal to the amount requested of the Rice Fund).
- (3) Other funding sources contribute \$350,000 (the balance, 70 percent).

**Example 3:** Total project cost of \$500,000

- (1) Rice Fund is asked to provide \$150,000 (30 percent).
- (2) The applicant provides \$50,000 cash (10 percent) and evidence that prior investments directly related to the project amounted to \$25,000 and in-kind contributions that will be provided during the project total to \$25,000. This \$100,000 meets the 20 percent applicant minimum matching fund requirement. The \$50,000 cash and \$25,000 in-kind contribution will be the applicant's *new* investment of \$75,000 to the project. *The money spent on prior investments is used only to meet the applicant minimum matching fund requirement, will not be considered part of the proposed project cost, and is not reimbursable.*
- (3) Other funding sources contribute \$275,000 (the balance).

**Example 4:** Total project cost of \$500,000

- (1) Rice Fund is asked to provide \$50,000 (10 percent).
- (2) The minimum the applicant must provide is \$50,000 cash, equal to the amount asked of the Rice Fund. Since this amount is 10 percent, no credits from prior investments and in-kind contributions may apply.
- (3) Other funding sources contribute \$400,000 (the balance, 80 percent).

### Table of Examples

EXAMPLE	Rice Fund	Applicant				Other Funding	Total
		<i>cash</i>	<i>in-kind</i>	<i>prior</i>	<i>Total New Contribution*</i>		
1	\$250,000	\$100,000	--	--	\$100,000	\$150,000	\$500,000
2	\$75,000	\$75,000	--	--	\$75,000	\$350,000	\$500,000
3	\$150,000	\$50,000	\$25,000	\$25,000	\$75,000	\$275,000	\$500,000
4	\$50,000	\$50,000	n/a	n/a	\$50,000	\$400,000	\$500,000

\* *Total New Contribution* does not include prior investment credit.

### PROJECT COSTS

All costs should be itemized and summarized by appropriate categories and should show the Rice Fund portion. Examples of budget categories are provided in Form 3. The budget should show enough detail so reviewers can assess the applicant's understanding of the steps and costs involved in bringing the project to successful commercialization. If an item is judged to be unreasonable, it will be disallowed, and the application may receive a lower score. Applicants may be asked for additional information on budget items at a clarification meeting and may be required to revise the proposed project's budget.

Only expenses reasonably incurred over the duration of the grant may be included in the total project costs. Costs of real, tangible property such as permanent structures and equipment should be annualized, and those annualized costs will be reimbursable for the duration of the grant. Projected depreciation and amortization will be computed using the straight-line method to allocate the cost of an asset over its remaining useful life.

#### For example:

A manufacturing plant needs a \$3,600 piece of equipment. The equipment has a 10-year useful life so the annualized cost is \$360.

If the applicant applies for a three-year Rice Fund grant, and the piece of equipment is needed at the beginning of the project, \$1070 may be listed for the total project cost for this item.

If the grant recipient submits a disbursement request every three months after the start of the grant, \$90 will be allowed each time as the cost-reimbursable payment. (\$360 per year divided by 12 months equals \$30 per month; this amount times three months equals \$90). The request for cost-reimbursement

payments could be made at different time intervals (e.g., monthly, quarterly, yearly, or at the end of the grant period.)

If the piece of equipment is leased, the three-month lease cost should be used. If a loan is used to obtain the equipment, the three-month loan repayment cost should be used.

For other real, tangible property such as land and permanent structures, only the annualized or amortized costs such as rent, mortgage, and lease costs during the project's Rice Fund grant duration will be allowed. If an amortization or depreciation schedule is shorter than allowed by the Internal Revenue Service is used, reimbursement will be excluded as a project cost.

Applicants will provide budget and cash flow projections for three years after the Rice Fund grant ends. This requirement is to ensure that the project will be self-sustaining after the Rice Fund grant has been expended.

## **GRANT**

After accepting a Rice Fund grant, the applicant will enter into a legally binding agreement. Some of the provisions are discussed below; additional provisions may be added, if deemed necessary by the ARB, at the time of grant award.

## **GRANT DISBURSEMENTS**

Grant payments will be made after satisfactory review of progress reports and grant disbursement requests. Cost-reimbursements will be made for specified amounts for the completion of milestones stipulated in the grant and documented in progress reports. Payment will not be made if the progress report is judged by the ARB to be unsatisfactory. Under no circumstances will the ARB reimburse a grant recipient for costs exceeding the grant award.

There is a one-year limit to start drawing the Rice Fund grant money; and a three-year limit to complete drawing. This calendar starts with the day the grant is approved.

**Matching funds must be spent at the same rate or faster than the Rice Fund grant.**

If the ARB grant manager decides that the terms of the grant has been violated, or if acceptable progress, as outlined in the project schedule, is not being made, disbursements will be suspended until the Board determines whether to end the grant.

## **PROGRESS REPORTS**

Every disbursement request will be accompanied by a progress report. The progress report must document expenditures since the previous report and describe the

milestone achievement specified in the grant. If the time between disbursements is more than three months, the grant recipient will submit progress reports at three-month intervals. The minimum interval will be one month. The progress reports will include a:

- ✍ Brief executive summary, suitable for public release
- ✍ Summary of tasks or subtasks completed or partially completed since the last progress report, including a discussion of problems or opportunities that emerged from the ongoing work, and a brief discussion of work planned before the next report
- ✍ Summary of costs for finishing the task or subtask, and a record of expenses by category, subcategory, and detail item of the project budget
- ✍ Cumulative summary of expenses by category since the beginning of the project as well as the total amount spent to date

ARB staff will approve payments. No reimbursement will be made for expenses judged not reasonable or that do not comply with the grant.

The grant recipient will submit **three** copies of the progress report and grant disbursement request.

## **GRANT MONITORING**

### Meetings

Before work begins on the project, a meeting of key project personnel and ARB staff will be held either at the ARB offices in Sacramento or at the project site. The overall plan, task details, project schedule, and issues to be resolved before work can begin will be discussed.

A review meeting will be held in Sacramento midway through the project.

A final meeting will be held in Sacramento at the conclusion of the project to review the project results.

Additional meetings may be held at the project location or in Sacramento after appropriate notification.

### Technical Monitoring

Any significant change in the project scope requires the prior approval of the ARB grant manager. The grant manager may visit a site to evaluate the completion of each task.

## Final Reporting Requirements

Within 90 days after project completion, the grant recipient will submit **five hardcopies and an electronic copy** of the final project report. Ten percent of the total project cost will be withheld until the final project report and disbursement request is received and reviewed. Final reporting requirements include a:

- ✍ brief publication-ready summary, suitable for public release
- ✍ Detailed report discussing major aspects of the project including a technical discussion
- ✍ Updated commercialization plan, if applicable, including minimum levels of production and sales needed to achieve commercialization without State support
- ✍ Financial statement prepared by generally accepted accounting principles, including all necessary explanatory notes, that clearly identifies and distinguishes between Rice Fund project finances and other finances

## **PROPRIETARY INFORMATION**

"Proprietary information" is information the grant recipient has identified, and justified, as being under the grant recipient's control prior to the start of a Rice Fund grant, or produced by the grant recipient or its subcontractors at their own expense. This information has also been shown to be proprietary either by reason of copyright, patent, or trade secret doctrines in full force and effect at the time when the Rice Fund grant begins.

Applicants may want to submit proprietary technical information to allow the grant advisors and reviewers to gain a complete technical understanding of the project. Applicants are also required to provide financial information to allow the grant advisors and reviewers to evaluate business plans, financial status, and credit worthiness. Protection will be provided following ARB regulations on disclosure of public records (Appendix, California Code of Regulations, title 17, section 91000 et seq.). *These regulations require the applicant to specify the proprietary information at the time it is submitted to the ARB.*

1. The ARB **will not consider** the following information to be proprietary:
  - a. Budget information (e.g., overhead or hourly rates of individuals)
  - b. Names of subcontractors and matching fund participants
  - c. Information about established patents
2. The ARB **will accept** requests for confidentiality for information essential to understanding the grant request and which fits the following description:

- a. **Technical information**, as used here, means recorded information regardless of form or characteristic, of a scientific or technical nature. The information may be, but is not limited to:
- ✍ Graphic or pictorial illustrations in media such as drawings or photographs
  - ✍ Test specifications or related performance or design type documents
  - ✍ Computer software (which may include computer programs, databases and documentation)
  - ✍ Research and engineering data, engineering drawings and associated lists, specifications, calculations, standards, process sheets, manuals, technical reports, catalog item identification, and related information

Government Code section 6254.7 states that all information, analyses, plans or specifications that disclose the nature, extent, quantity, or degree of air contaminants or other pollution which any article, machine, equipment, or other contrivance will produce, which any state or local agency requires the applicant to provide before the applicant builds, erects, alters, replaces, operates, sells, rents, or uses such article, etc., are public records. All air monitoring and emission data are public records.

Technical information used here does not include financial reports, cost analyses and other information incidental to grant administration.

- b. A **trade secret** is any formula, plan, pattern, process, tool, mechanism, compound, procedure, production data, or compilation of information which is not patented, and which is known only to certain individuals with a commercial concern using it to fabricate, produce, or compound an article of trade or a service having commercial value, and which gives its user an opportunity for a business advantage over competitors who do not know or use it.
- c. Information developed for the Commercialization Plan may be considered proprietary for marketing purposes.
- d. Applicant financial documentation and records;
- e. Information that is **patent pending**.

#### Requesting Confidentiality of Specific Information

Complete and return Form 6 with the grant request if submitting proprietary or confidential information.

Any request which contains data claimed to be a trade secret or otherwise exempt from disclosure under Government Code Section 6254 or 6254.7 or under other applicable provisions of law must be clearly identified as such at the time of submission.

**All confidential information must be submitted in an envelope separate from the rest of the grant request.** The envelope and each page containing confidential information are to be clearly marked "confidential". The name, address and telephone number of the individual to be contacted will also be provided, in the event the ARB receives a request for disclosure of or seeks to disclose the data claimed to be confidential.

#### How ARB Will Handle Proprietary Information Requests

The ARB will make every effort to protect the confidentiality of information that has been submitted following ARB regulations on confidentiality. However, applicants are advised that the State cannot completely guarantee that materials designated as confidential will not be disclosed to the public. Further, the State cannot accept legal liability if such disclosure occurs. The ARB will not disclose data identified as confidential, except as outlined in the ARB requirements (see Appendix).

#### **WHEN AND WHERE TO SUBMIT GRANT REQUESTS**

The deadline for submittal of grant requests will be **4:00 p.m. November 30, 2001**, received at the address below. The submittal package must include the following:

- ✍ 15 bound copies and one unbound copy of the grant request, including budget and all attachments, with original signatures
- ✍ 15 copies of the project business plan, if the applicant chooses to submit a separate business plan
- ✍ Electronic file on computer diskette

All materials become the property of the State. All confidential information must be submitted in an envelope separate from the rest of the grant request. The envelope and each page containing confidential information are to be clearly marked "confidential." The above grant request package(s) should be delivered to the ARB with the applicant name on the outside of the package(s) and addressed as follows:

**Rice Fund Grant Request**  
**Robert Fletcher, Chief**  
**Planning and Technical Support Division**  
**California Air Resources Board**  
**1001 I Street**  
**Sacramento, CA 95812**

## **QUESTIONS ABOUT THE RICE FUND**

Information about the Rice Fund Program may be found on the Internet at the following address:

**<http://www.arb.ca.gov/smp/rice/ricefund/ricefund.htm>**

Questions about the rice fund may be directed to Mr. Bruce Oulrey, by calling (916) 322-6155 or by e-mail to *ricefund@arb.ca.gov*.



## SECTION IV GRANT REQUEST CONTENTS

This section contains information for assembling grant requests, and describes the information required. Additional informational material may be available at the applicant workshop.

Table 1 is a checklist of the contents of the grant request package. Six of the items (Forms 1-6) should be provided on the forms included in the “Forms” section of this document. Grant requests should be assembled in the order in Table 1.

**TABLE 1**

### CHECKLIST FOR REQUIRED ITEMS FOR GRANT REQUEST IN RESPONSE TO RICE FUND IGR 01-01

- Title Page
- Executive Summary
- Table of Contents
- **Form 1** - Application/Authorization for IGR 01-01
- Project Description
- Commercialization Plan
- Personnel Description
- Applicant's Financial Status
  - **Form 2** - Applicant's Financial Information
  - Articles of Incorporation or Filed Partnership Agreement
  - Fictitious Name Statement
  - Previous Three Year-End Business Financial Statements
  - Authorization for Access of Applicant Principals' Credit History
- **Form 3** - Budget
- **Form 4** - Applicant Prior Investment
- **Form 5** - In-Kind Contributions
- Schedule
- **Form 6** - Confidentiality Provision
- Attachments
  - Letters of Commitment
  - Letters of Support
  - Business Plan

### TITLE PAGE

The title page should contain the project title, applicant's name (business or organization), lead contact person, address, and telephone number.

## EXECUTIVE SUMMARY

A one-page executive summary of the project should be provided which is suitable for public release. The summary should include the following:

- Project title
- Applicant name
- Project description
- Project location
- Time length of project and estimated date of commercialization
- Rice straw used, stored, or marketed (tons per year) at time of commercialization
- Number of jobs created at time of commercialization
- Total project cost and amount requested from the Rice Fund
- Appropriate additional information

## TABLE OF CONTENTS

Each page of the grant request should be numbered and a table of contents, with associated page number, should be provided.

## FORM 1 - APPLICATION/AUTHORIZATION

Each item on the application/authorization form should be completed, and the form signed and dated. The project abstract is limited to 400 words, which:

- ✍ State the project objectives
- ✍ Briefly describe the project
- ✍ Describe previous work done relating to the project
- ✍ Estimate annual rice straw used, stored, or marketed, and number of jobs created at the end of the Rice Fund grant and five years later

## PROJECT DESCRIPTION

The narrative will be concise and thorough. Define all acronyms. Include enough detail so reviewers can evaluate the project's technical merit and commercialization potential. The grant request should show the project team's knowledge and expertise. Where possible, the results of engineering analyses and engineering drawings should be used to support technical claims made in the grant request.

### ADDRESS ALL OF THE FOLLOWING INFORMATION:

- 1) Describe the proposed project and how it was brought to this stage; include discussion of research and development to date.

- 2) Include drawings, sketches, flow charts, and schematics of the technology, as appropriate, to describe how it works. Include computations with clearly stated assumptions.
- 3) Discuss previous work on the project, funding for that work, and sources of funding.
- 4) Identify technical barriers to the project. Discuss how these barriers will be addressed.
- 5) List and describe relevant patents or patents pending on the project.
- 6) Clearly and completely describe the project plan and each task. Distinguish between work that will take place during the Rice Fund project and work that preceded and will follow the project. Identify major contributors to each task and what each will do. Clearly show what portion of the work will be supported with Rice Fund money.
- 7) Describe other resources for the project (e.g., buildings, shops, and tools).
- 8) Discuss environmental effects (on air, water, waste, etc.) of the project.

## **COMMERCIALIZATION PLAN**

The following topic areas should be addressed. Grant requests for storing, transporting, or marketing rice straw or rice straw products should show how they will contribute to the overall commercialization of specific end products.

The narrative should be concise and thorough. Define all acronyms. Include enough detail so reviewers can evaluate the business merit and commercialization potential of the project. The grant request must identify and note the project's economic benefits and show the project has high potential for a viable business. If a business plan is available, it should be attached.

### Understanding the Market

- 1) Explain the need for the product(s) (in and outside of California) being produced, stored, transported, and/or marketed. Identify and describe the target markets (domestic and foreign) for the product(s). Include relevant characteristics (e.g., market timing, segments, trends, purchasing criteria).
- 2) Discuss market size (units and total dollar sales) expected in the first year after the product is on the market. Identify that year. Estimate market growth based on the first year of expected sales. Discuss factors that will influence the growth rate.

Competition

- 1) Discuss competition for the proposed product(s) and how the product(s) can be expected to compete after the end of Rice Fund support.

Business Plan (if available)

- 1) Estimate when a commercially self-sustaining business will begin operation. Show how this estimate was made.
- 2) Identify when the process will be operational (minimum production level). Estimate the minimum annual sales required to breakeven, and the minimum sales needed for an acceptable profit (sustainable production).
- 3) Describe the commercialization strategy, including financing, and the personnel and organizations involved.
- 4) Discuss the project marketing plan (e.g., organization to market the product, method for marketing).
- 5) Describe the facility where the product will be manufactured, including location, capacity, and necessary modifications.
- 6) Identify the path from the current status to full commercial operation. Identify milestones and estimated dates of completion. The final milestone should be the minimum level of production for a self-sustaining operation.
- 7) List necessary permits and describe the steps to obtain them.
- 8) Discuss the rice straw supply plan. How will the straw be obtained during the Rice Fund time, once the project reaches commercialization, and for a projected five years? Discuss the quality of straw needed. Discuss potential barriers. Describe how adequate supplies of suitable straw will be ensured. Discuss contingency plans if the necessary rice straw feed stock is temporarily unavailable (e.g., can alternative feed stock be used?).
- 9) Identify other barriers to successful operation (e.g., resource constraints, institutional or regulatory barriers). Discuss how these barriers will be addressed.
- 10) Identify and describe milestones for partial grant disbursements, and estimate the dates each will be reached.

- 11) Estimate the number and types of jobs to be created upon successful completion of the project and five years later.
- 12) Show local community support. Attach letters of support from representatives of the local community such as county boards of supervisors, chambers of commerce, local organizations, and individuals.

### Financial

- 1) Estimate the total budget for a self-sustaining, profitable operation. Indicate additional funding needed to reach this level. Identify other funding commitments and prospective commitments for funds to this level.
- 2) Provide financial statements (income statement, balance sheet, cash flow) for the project for the past three years, during the time under the Rice Fund grant, and for three years after the grant. List and discuss significant assumptions (e.g., interest rates, inflation rates, market size, competition, availability of financing, market growth rate, pricing, and timing of government legislation).

### Contingency Plans

Contingency plans, listed below, should be included. Limit discussion to one or two pages.

- 1) Plan for a scaled-down project, if the requested grant were reduced;
- 2) Plan for a scaled-up project, if a larger grant award were made.

## **PERSONNEL DESCRIPTION**

Present the qualifications of the project team. Clearly identify the people with main responsibility for the project and for contact with the ARB.

Describe the ownership and legal structure of the applicant organization. Explain the project team structure, including an organization chart. Identify those individuals with management responsibility, and team members acting primarily as matching fund participants. Discuss, in detail, how the work will be allocated among the staff and any contractors. Identify who is in charge, the work involved, and who will actually do the work. Discuss the relationship and interaction between the technical and the business teams.

Provide brief resumes of key individuals (including contractors and subcontractors), emphasizing managerial, technical, and business/marketing experience relating to the

project. Describe past experiences of the firm and project principals in developing and commercializing new technologies.

## **FORM 2 - APPLICANT FINANCIAL INFORMATION**

List contact information and titles for all applicant principals (those who have 20 percent or more financial interest in the applicant business/organization).

For each applicant principal:


- ✍ Describe financial status and ability to provide the necessary matching funds over the life of the project and to financially support the project through self-sustaining operation
- ✍ Identify source(s) of capital (e.g., sale of products, or capital markets)
- ✍ Describe involvement in other company operations and the types of products or services produced
- ✍ Discuss project commitment through matching funds and prior investments directly related to the project
- ✍ Provide a copy of filed Articles of Incorporation or filed Partnership Agreement and any filed Fictitious Name Statement(s)
- ✍ Provide the previous three year-end business financial statements, including income statements, balance sheets, and cash flow statements. Individuals will provide personal financial statements including tax returns
- ✍ Provide written authorization for the ARB staff to access credit history

Financial statements will be prepared using generally accepted accounting principles, including all necessary explanatory notes. The financial statements will be audited or compiled by the applicant's independent public accountant. The ARB's preference is for audited financial statements, as an audit or review lends greater credibility to the financial statements provided by an applicant. Instead of audited financial statements, the applicant may provide financial statements compiled by an independent public accountant.

## **FORM 3 - BUDGET**



Identify:

- ✍ Budget and funding source for each task, distinguishing among Rice Fund money, applicant contributions (include cash and in-kind contributions), and other funding sources
- ✍ Total contributions by each funding source
- ✍ Total funding requested from the Rice Fund
- ✍ Total matching funds, including monetary and reasonable value of in-kind contributions



 Other sources of funding being sought.

#### FORM 4 - APPLICANT PRIOR INVESTMENT

This form must be completed to take credit for prior investment to meet the applicant matching fund requirement. Credit will be given for:

-  Expenditures during the last five years directly tied to bringing the current project to commercialization
-  **Real tangible assets**

The dollar amount claimed should be the applicant's equity in the asset, i.e., the depreciated value, or book value, minus money owed on the asset. Credit will *not* be given for:

-  Prior expenditures for research and development
-  Pre-paid expenses or services (see in-kind contributions credit below)

*Credit for the same asset may not be claimed under both prior investment and in-kind contributions.* Convincing evidence must be provided for the prior expenditure to be accepted. Examples of allowable prior investment credit are: permanent structures and their remodeling, and office and factory equipment. Prior investments may *not* be included in the current project costs; they are only used for partial credit in meeting the applicant matching fund requirement.

#### FORM 5 - IN-KIND CONTRIBUTIONS

Form 5 must be completed to take credit for in-kind contributions to meet the applicant matching fund requirement. These contributions may be committed services, prepaid expenses, or real tangible assets. Credit will be given only for those commitments for services or use of assets starting with the beginning of the current project once the Rice Fund grant is signed. In-kind contributions must be directly tied to bringing the current project to commercialization. Credit will be given only for the annualized market value of the in-kind contribution. For real tangible assets, this is the depreciated value amortized over the time that the grant is in force.

**For example:**

The grant will be in force for the proposed project for three years. A previously purchased forklift is being claimed under in-kind contribution. The annual depreciation rate over the remaining useful life of the forklift is calculated and multiplied by the three years of the grant. This is the amount that may be claimed for in-kind contribution.

*Credit for the same asset may not be claimed under both prior investment and in-kind contributions.* Convincing evidence must be provided for the in-kind contribution credit

to be accepted. Examples of allowable in-kind contribution credit are use of permanent structures; office and factory equipment; commitment from persons to perform services for the project without reimbursement. The value of in-kind contributions *should* be included in determining the current Rice Fund project costs.

Clearly identify the dollar amounts that represent in-kind contributions and describe how each in-kind contribution dollar amount was determined.

## **FORM 6 - CONFIDENTIALITY PROVISION**

If the grant request contains proprietary or confidential information, the grant applicant must sign this form and include it in the application packet.

## **PROJECT SCHEDULE**

Provide a time-line of a measurable goal for each project task and the corresponding completion dates. The display should identify the tasks, subtasks if necessary, and due dates. Clearly show milestones used as a basis for grant disbursements. In addition, show the commercialization schedule for the product(s), starting from the end of the grant through the minimum level of production required at the end of commercialization.

## **ATTACHMENTS**

- ✍ Letters of commitment from each funding source and from each person providing in-kind contributions are required
- ✍ Letters of support from potential customers (i.e., appropriate individuals or companies) to show market support for the proposed product(s) are encouraged
- ✍ Letters demonstrating community support should be attached
- ✍ Business plan, if available



# FORMS

# FORM 1

## APPLICATION AND AUTHORIZATION FOR RICE FUND GRANT

1. Project Title: \_\_\_\_\_
2. Applicant (i.e., Business or Organization) Name:  
\_\_\_\_\_

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3. Mailing Address  
If P.O. Box, please specify street address also:  
\_\_\_\_\_
4. Project Manager/Lead Person: \_\_\_\_\_ Telephone: \_\_\_\_\_  
Title: \_\_\_\_\_ FAX Number: \_\_\_\_\_  
E-mail address: \_\_\_\_\_
5. Project Process (i.e. technology type): \_\_\_\_\_
6. Product(s) or Process to be Commercialized: \_\_\_\_\_

---

7. Project Funding: Provide information for the table below.

	RICE FUND		APPLICANT		OTHER FUNDING SOURCES		TOTAL S
	\$	% of TPC (50%max)	\$	% of TPC (10%min)	\$	% of TPC	Subtotal \$
a. Cash							
b. In-kind contributions							
Contribution to Total Project Cost Subtotal: new investment (a+b)							TPC
c. Prior investment credit							
Total matching credit (a+b+c)				(20% min)			

**NOTE:** TPC is Total Project Cost. Do *not* include prior investment credit in TPC

8. List of All Other Funding Sources:

	NAME	\$ Investment	
		Cash	In-Kind
Source 1:			
Source 2:			
Source 3:			
Source 4:			

9. Commercialization Time/Stage of Development (years, months):

Time to Project Completion (Rice Fund Grant): \_\_\_\_\_

Time to Commercialize: \_\_\_\_\_

10. Project Information:

a. Project Location: \_\_\_\_\_

b. Rice Growing County: ( ) Yes ( ) No

c. Estimated Jobs Created: \_\_\_\_\_

d. Estimated Annual Use of Rice Straw:

at end of project grant: \_\_\_\_\_

five years later: \_\_\_\_\_

11. Project Abstract: In approximately 400 words, provide the following information:

Project objectives

Applicant's previous work on the project

Description of project

Estimated environmental effects (on air, water, waste, etc.)

Estimated jobs created (by type and location)

Estimated annual use of rice straw at end of project grant and five years later

12. Authorized Signature:

I certify to the best of my knowledge and belief that I have read and understand the terms and conditions contained in this *Invitation for Grant Request*, including Appendices, and that the information contained in this grant request is correct and complete. In addition, I hereby authorize the ARB to make any inquiries and obtain any financial information necessary to evaluate my organization's capability to supply the necessary financial support to the proposed project.

\_\_\_\_\_  
Signature of Authorized Official

Date

\_\_\_\_\_  
Typed Name

Title

**FORM 2**  
**APPLICANT FINANCIAL INFORMATION**

**GENERAL APPLICANT INFORMATION:**

Provide the following information about the applicant (i.e., the business or organization):

Name, address, telephone and fax numbers, legal entity type (e.g., corporation, partnership), year started, main purpose of business, types of product(s) produced or services offered, number of years under current management, list of officers, number of employees by job type.

**APPLICANT PRINCIPALS' INFORMATION**

Provide the following information about all applicant principals. Principals are those who own 20 percent or more of the business:

Names and contact information, financial stake in the business, and managerial position in the business and in the Rice Fund project.

**APPLICANT FINANCIAL INFORMATION**

Provide balance sheets and income statement for the past three years for applicant and all principals.

**MISCELLANEOUS INFORMATION**

Is the applicant a party to any claim or lawsuit? ( ) Yes ( ) No  
If "yes", please attach an explanation.

Has the applicant declared bankruptcy in the past 10 years? ( ) Yes ( ) No  
If "yes", please attach an explanation. Chapter \_\_\_\_\_ Date of filing \_\_\_\_\_

**CERTIFICATION**

I certify to the best of my knowledge and ability that the information in this application and supporting documents is complete, true and correct. I will provide all information required by the ARB to complete the assessment of this project.

\_\_\_\_\_  
Signature of Authorized Official

\_\_\_\_\_  
Name and Title of Authorized Official

Signed at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_ 2001.

**Form 3**  
**BUDGET SUBMITTAL**

**Authorization For Rice Fund Grant Request**

Project Title:

Applicant Name:

Total Budget for Rice Fund Project:

Total Rice Fund Grant Requested:

Period Covered (years, months):

**Authorized Signature:**

I certify to the best of my knowledge and belief that the information contained in this budget submittal for Rice Fund Grant Request is correct and complete. In addition, I hereby authorize the ARB to make any inquiries and obtain any financial information necessary to evaluate information contained in this attached budget form and the entire grant request document.

---

Signature of Authorized Official

Date

---

Typed Name

Title

## Form 3 (cont.)

### Budget Summary and Budget Detail

Provide budget summaries and detail by project categories, subcategories, and by items within each project category for each milestone, task and subtask listed in the project schedule.

Identify amounts expected from Rice Fund Grant.

Itemize capital costs by total purchase price, useful life, and amortized cost for duration of the project.

Examples of project *categories* are:

labor, equipment, materials & supplies, utilities, etc.

Example of project *subcategory*:

for the equipment category, subcategories might be: purchase, rent, lease, maintenance, repair, etc.

Example of *detail* by subcategory:

for the equipment purchase subcategory: describe each piece of equipment that will be purchased (e.g., one forklift for use on shop floor).

***Applicants should use budget categories, subcategories, and detail appropriate to their individual projects. Enough detail should be provided for reviewers to evaluate the appropriateness and reasonableness of the project budget.***

## FORM 4

### APPLICANT PRIOR INVESTMENT

[illegible]

## FORM 5

### IN-KIND CONTRIBUTIONS

[illegible]



**FORM 6**  
**CONFIDENTIALITY PROVISIONS**

**The following statement must be signed by the applicant and returned to the ARB with the applicant's grant request if the grant request includes proprietary or confidential information.**

\*\*\*\*\*

The applicant agrees that, in order for the ARB to evaluate the applicant's grant request, it may be necessary for the ARB to disclose to non-ARB personnel information considered by the applicant to be proprietary or confidential. This information will only be disclosed to expert advisors and reviewers composed of ARB and non-ARB members. Non-ARB reviewers will sign a nondisclosure statement about proprietary or confidential information.

The restriction of disclosing this information will not apply to information identified by the applicant as proprietary or confidential that (a) is already known to the public or the ARB at the time of disclosure, or (b) is or becomes publicly known through no wrongful or negligent act on the part of the reviewers or the ARB.

The applicant further agrees that s/he has read the following confidentiality provision and agrees to its terms and conditions.

"It is understood that in the course of carrying out this agreement, the ARB may provide proprietary or confidential information ("Proprietary Information") to non-ARB staff. The grant reviewer agrees to use his/her best effort to hold Proprietary Information in confidence and will return it to the ARB upon the completion of the grant review.

This obligation will apply only to Proprietary Information that is designated or identified as such in writing by the ARB prior to the disclosure thereof. All Proprietary Information will be sent only to the grant reviewers. Moreover, this obligation will not apply to Proprietary Information which: (a) is or becomes publicly known through no wrongful or negligent act on the part of the grant reviewers; (b) is already known to the grant reviewers at the time of disclosure; (c) is independently developed by the grant reviewer without breach of this agreement; or (d) is generally disclosed to third parties by the ARB without similar restrictions on such third parties."

---

Applicant's signature

---

Date

# APPENDIX

## APPENDIX

## Subchapter 4.

## DISCLOSURE OF PUBLIC RECORDS

## Article 1. General

**§ 91000. Scope and Purpose.**

This subchapter shall apply to all requests to the state board under the California Public Records Act (Government Code Section 6250 et seq.) for the disclosure of public records or for maintaining the confidentiality of data received by the state board. Written guidelines shall govern the internal review of such requests.

NOTE: Authority cited: Sections 39600 and 39601(a), Health and Safety Code. Reference: California Public Records Act, Chapter 3.5 (commencing with Section 6250), Division 7, Government Code.

## HISTORY

1. New Subchapter 4 (Sections 91000 through 91022, not consecutive) filed 1-26-73; effective thirtieth day thereafter (Register 73, No. 4).
2. Amendment filed 9-28-73; effective thirtieth day thereafter (Register 73, No. 39).
3. Amendment of NOTE filed 3-18-77; effective thirtieth day thereafter (Register 77, No. 12).
4. Repealer and new section filed 10-5-82; effective thirtieth day thereafter (Register 82, No. 41).

**§ 91001. Disclosure Policy.**

It is the policy of the state board that all records not exempted from disclosure by state law shall be open for public inspection with the least possible delay and expense to the requesting party.

NOTE: Authority cited: Sections 39600 and 39601(a), Health and Safety Code. Reference: Section 6253, Government Code; *Black Panther Party v. Kehoe* (1974) 42 Cal.App.3d 645.

## HISTORY

1. Amendment filed 9-28-73; effective thirtieth day thereafter (Register 73, No. 39)
2. Amendment and new NOTE filed 3-18-77; effective thirtieth day thereafter (Register 77, No. 12).
3. Repealer and new section filed 10-5-82; effective thirtieth day thereafter (Register 82, No. 41).

## Article 2. Board's Request for Information

**§ 91010. Request Procedure.**

The state board shall give notice to any person from whom it requests information that the information provided may be released (1) to the public upon request, except trade secrets which are not emission data or other information which is exempt from disclosure or the disclosure of which is prohibited by law, and (2) to the federal Environmental Protection Agency, which protects trade secrets as provided in Section 114(c) of the Clean Air Act and amendments thereto (42 USC 7401 et seq.) and in federal regulations.

NOTE: Authority cited: Sections 39600, 39601, and 39602 Health and Safety Code, Reference: Sections 39701, 41510, 41511, 41512 and 42705, Health and Safety Code; and Section 6253, Government Code.

## HISTORY

1. Amendment of subsections (a) and (b) filed 9-28-73; effective thirtieth day thereafter (Register 73, No. 39).
2. Amendment of subsection (a), (b) and (c), and new NOTE, filed 3-18-77; effective thirtieth day thereafter (Register 77, No. 12).
3. Amendment filed 10-5-82; effective thirtieth day thereafter (Register 82, No. 41).
4. Editorial correction filed 5-7-84; effective thirtieth day thereafter (Register 84, No. 19).

**§ 91011. Submissions of Confidential Data.**

Any person submitting to the state board any records containing data claimed to be "trade secret" or otherwise exempt from disclosure under Government Code Section 6254 or 6254.7 or under other applicable provisions of law shall, at the time of submission, identify in writing the portions of the records containing such data as "confidential" and shall provide the name, address and telephone number of the individual to be contacted if the state board receives a request for disclosure of or seeks to disclose the data claimed to be confidential. Emission data shall not be identified as confidential. The state board shall not disclose data identified as confidential, except in accordance with the requirements of this subchapter or Section 39660(e) of the Health and Safety Code.

NOTE: Authority cited: Sections 39600 and 39601, Health and Safety Code. Reference: Sections 39660, 39701, 41500, 41511, 41512 and 42705, Health and Safety Code; Sections 6253, 6254 and 6254.7, Government Code; *Natural Resources Defense Council v. EPA* 489 F.2d 390 (5th Cir. 1974) (6 ERC 1248); *Northern California Police Practices Project v. Craig* (1979) 90 Cal.App.3d 116; *Uribe v. Howie* (1971) 19 Cal.App.3d 194.

## HISTORY

1. New section filed 10-5-82; effective thirtieth day thereafter (Register 82, No. 41. For history of former section, see Register 73, No. 39).
2. Amendment filed 7-10-84; effective thirtieth day thereafter (Register 84, No. 28).

## Article 3. Inspection of Public Records

### § 91020. Disclosure Policy .

#### HISTORY

1. Repealer filed 10-5-82 ; effective thirtieth day thereafter (Register 82, No. 41).

### § 91021. Disclosure Procedure.

NOTE: Authority cited: Section 39601, Health and Safety Code. Reference: Sections 6253-6257, Government Code.

#### HISTORY

1. Amendment of subsections (c) and (d)(3) filed 9-28-73 ; effective thirtieth day thereafter (Register 73, No.39).
2. Amendment and new NOTE filed 3-18-77 ; effective thirtieth day thereafter (Register 77, No. 12).
3. Repealer filed 10-5-82 ; effective thirtieth day thereafter (Register 82, No. 41).

### § 91022. Disclosure of Confidential Data.

(a) This section shall apply to all data in the custody of the state board

- (1) designated "trade secret" prior to the adoption of this subchapter,
- (2) considered by the state board or identified by the person who submitted the data as confidential pursuant to this subchapter, or
- (3) received from a federal, state or local agency, including an air pollution control district, with a confidential designation, subject to the following exceptions:

(A) Except for the time limits specifically provided in subsection (b), only subsections (c) and (d) of this section shall apply to information submitted pursuant to Health and Safety Code Section 39660(e).

(B) Appropriate portions of an application for approval, accreditation, or certification of a motor vehicle emission control device or system shall be kept confidential until such time as the approval, accreditation, or certification is granted, at which time the application (except for trade secret data) shall become a public record, except that estimates of sales volume of new model vehicles contained in an application shall be kept confidential for the model year, and then shall become public records. If an application is denied, it shall continue to be confidential but shall be subject to the provisions of this section.

(C) If disclosure of the data obtained after August 9, 1984 from a state or local agency subject to the provisions of the Public Records Act is sought, the state board shall request that the agency which provided the data determine whether it is confidential. The state board shall request that it be notified of the agency's determination within ten days. The state board shall not release the data if the agency determines that it is confidential and so notifies that state board; provided, however, that the data may be released with the consent of the person who submitted it to the agency from which it was obtained by the state board.

(b) Upon receipt of a request from a member of the public that the state board disclose data claimed to be confidential if the state board itself seeks to disclose such data, the state board shall inform the individual designated pursuant to Section 91011 by telephone and by mail that disclosure of the data is sought. The person claiming confidentiality shall file with the state board documentation in support of the claim of confidentiality. The documentation must be received within five (5) days from the date of the telephone contact or of receipt of the mailed notice, whichever first occurs. In the case of information submitted pursuant to Health and Safety Code Section 39660(e), the documentation must be received within 30 days of the date notice was mailed pursuant to that section. The deadlines for filing the documentation may be extended by the state board upon a showing of good cause made within the deadline specified for receipt of the documentation.

(c) The documentation submitted in support of the claim of confidentiality shall include the following information:

- (1) the statutory provision(s) under which the claim of confidentiality is asserted;
- (2) a specific description of the data claimed to be entitled to confidential treatment;
- (3) the period of time for which confidential treatment is requested;
- (4) the extent to which the data has been disclosed to others and whether its confidentiality has been maintained or its release restricted;
- (5) confidentiality determinations, if any, made by other public agencies as to all or part of the data and a copy of any such determinations, if available; and
- (6) whether it is asserted that the data is used to fabricate, produce, or compound an article of trade or to provide a service and that the disclosure of the data would result in harmful effects on the person's competitive position, and, if so, the nature and extent of such anticipated harmful effects.

(d) Documentation, as specified in subsection (c), in support of a claim of confidentiality may be submitted to the state board prior to the time disclosure is sought.

(e) The state board shall, within ten (10) days of the date it sought to disclose the data or received the request for disclosure, or within 20 days of that date if the state board determines that there are unusual circumstances as defined in Government Code Section 6256.1, review the request, if any, and supporting documentation, if received within the time limits specified in subsection (b) above, including any extension granted, and determine whether the data is entitled to confidential treatment pursuant to Government Code Section 6254, 6255 or 6254.7 or other applicable provisions of law and shall either:

(1) decline to disclose the data and, if a request was received, provide to the person making the request and to the person claiming the data is confidential a justification for the determination pursuant to Government Code Section 6255; or

(2) provide written notice to the person claiming the data is confidential and, if a request was received, to the person requesting the data that it has determined that the data is subject to disclosure, that it proposes to disclose the data, and that the data shall be released 21 days after receipt of the notice by the person claiming confidentiality, unless the state board is restrained from so doing by a court of competent jurisdiction. The state board shall release the data in accordance with the terms of the notice unless so restrained.

(f) Should judicial review be sought of a determination issued in accordance with subsection (e), either the person requesting data or the person claiming confidentiality, as appropriate, may be made a party to the litigation to justify the determination.

NOTE: Authority cited: Section 39601, Health and Safety Code. Reference: Sections 6253, 6254, 6254.7, 6255, 6256, 6256.1, 6258 and 6259, Government Code.

#### HISTORY

1. Amendment of subsections (a) and (b) filed 9-28-73 ; effective thirtieth day thereafter (Register 73, No. 39).
2. Amendment and new NOTE filed 3-18-77 ; effective thirtieth day thereafter (Register 77, No. 12).
3. Amendment filed 10-5-82 ; effective thirtieth day thereafter (Register 82, No. 41).
4. Editorial correction of subsection (a) filed 5-7-84 ; effective thirtieth day thereafter (Register 84, No.19).
5. Amendment filed 7-10-84 ; effective thirtieth day thereafter (Register 84, No. 28).